

Opposing Counsel's Response to E-Mail Request for Emergency Relief

Opposing Counsel's Response to E-Mail Request for Emergency Relief

1. Case Number: -SLR

2. BRIEFLY state your response to the **emergency** request made by opposing counsel:

Andrew is trying to delay resolution of this matter and has misrepresented the parties' discussions. After the Court entered judgment in TP's favor, Andrew, without conferring with TP, filed eleven JMOLs unaccompanied by briefs, only three of which were preserved at trial. It then informed TP that Andrew also intended to file JMOLs relating to its "equitable claims" and would ignore TP's already briefed motions for injunctive relief and enhanced damages until the Court resolved all of Andrew's motions. Andrew waived most of the motions that it proposes to brief, but to the extent the Court allows briefing, TP has proposed the following schedule: 10/19 for opening briefs; 11/9 for responses; and 11/21 for replies. TP has proposed a parallel schedule for TP's motions: 10/22 for responses and 10/31 for replies. TP seeks timely resolution of its motions in the interest of efficiency and fairness.

*Any text added to beyond the limits of this space will be disregarded by the court.

3. Name of local counsel submitting this response:

4. Today's Date:

PTX 142



December 11, 2004

Andrew Network Solutions
19700 Janelia Farm Boulevard
Ashburn, VA 20147

Procurement Department
Saudi Telecom Company
Riyadh
Kingdom of Saudi Arabia

Subject: Letter of Offer for the GSM VAS Project

Dear Sir:

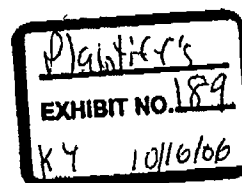
Andrew Corporation is pleased to offer to Saudi Telecom Company our proposal and response for the GSM VAS Project. Andrew has responded to all of the requirements for UTDOA LBS functionality in a manner where by STC may choose best-in-class functionality for Enhanced Cell ID/AGPS and UTDOA from different vendors, and yet maintain a seamless, standards compliant network going forward. Specifically, Andrew has proposed a UTDOA solution that operates with our BSS partners both technically and programmatically. We are prepared to work as an integrated team with our strategic partner Ericsson to deliver UTDOA functionality to the Kingdom to support commercial and security needs.

Included in our offer package is a Commercial Tender Response containing Volumes 1, 2, 3, 4 and 5, as requested in Part A of the Tender. Also included is a Technical Tender Response containing Volumes 6 and 7. These two Tender Responses have been delivered in separate sealed envelopes. All response material is provided in both printed form and on CD ROM. The format of the documents on the CD ROM is FORMAT.

Andrew is bringing this offer to STC through our partner -AL-MISEHAL GROUP. Al-Misehal Group excels as a foremost supplier of high technology solution and services throughout Saudi Arabia, with offices in Riyadh, Jeddah and Dammam. Al-Misehal Group and their subsidiary NoviaCom is a long contractor and supplier to STC GSM projects including E4 to E6, the Roads & Villages project, and their knowledge and installation capabilities in the STC GSM network will give Andrew/Al-Misehal Group an advantage to STC for a fast technology and implementation program.

C 2

PTX 142





The points of contact for Andrew on this offer are: (must be in conformance with Section 2, page 14 of Part A, we're getting all of this for the US contact now)

Kingdom contact: Vick Khalil Mamlouk, General Manager MENA
Andrew Middle East
Atrium Building, Suit 228
Shiek Zayed Road, P.O.Box 500428
Dubai, UAE
Tel 00971 4 3433701
Fax 00971 4 3433752
Mobile 00971 506542331
Saudi Tel 00966 1 4647734
Saudi Fax 00966 1 4647297
Email: vick.mamlouk@andrew.com

Local Partner Almisehal Group
Sheik Adil Almisehal
c/o Mr. Rob Wood
Tel 00966 1 4610808 ext. 143

US contact Mohamed Eissa, Director & GM
Andrew Network Solutions Group
Andrew Corporation
10500 W, 153rd Street
Orland Park, IL 60462, USA
Tel 001 708 3495671
Saudi Mobile 00966 500347227
US Mobile 001 708 7049447
Email: mohamed.eissa@andrew.com

Andrew looks forward to an STC decision on our offer and the opportunity to serve STC and its customers and partners.

Sincerely,

Mohamed Eissa,
Director & General Manager
Andrew Network Solutions Group

Vick Khalil Mamlouk,
General Manager MENA
Andrew Middle East

C 3

PTX 142

Document 2 of 36

PRODBEG	=	AND_EF0001193
PRODEND	=	
TREATMENT	:	Confidential Information TPI v. Andrew, CA No. 05-00747-SLR
FILENAME	:	
ATTACHMENT	:	
FILEPATH	:	<u>\\Pg1\Vol1\Data1\TPI\CA\Confidential\AND002\Nativefiles\AND_EF0001193.doc</u>
FILEPATHNEW	:	
EDITINFO	:	20060915 105142 Eas [MA4YDA-11494] calabret; 20060909 003657 Eas [J6WG85-11494] calabret; 20060909 001508 Eas [RQ2834-11494] calabret; 20060516 213931 Eas [CJOLWR-11494] pperdue;

C 4

Page 2

PTX 142

Document Properties

Title: Letter of Offer
Author: Joe Kennedy
Template: Normal
Last saved by: Lito Samia
Revision number: 11
Application: Microsoft Word 9.0
Total editing time: 00:19:00
Created: 2004/12/10 10:57:00
Last saved: 2004/12/10 12:21:00
Company: Andrew Corporation

C 5

PTX 142

PTX 232



Saudi Telecom Company
Riyadh
Kingdom of Saudi Arabia
October 14, 2005 (21/9/1426H)

إلى شركة الاتصالات السعودية
الرياض
المملكة العربية السعودية
(21/9/1426H) 2005/10/14

Attn:
Procurement & Contract Department

قسم المشتريات والعقود

Subject:
Confirmation of Andrew Corporation's Main
Contract Documents in aid of GSM VAS Project
0417528

موضوع:
تأكيد مستندات الشركة الرئيسية لأندرو كوربوريشن
تحت رقم المزاد GSM VAS 0417528

تحية طيبة وبعد،

Dear Sirs,
Please confirm receipt of Andrew
Corporation's Main Contract Documents as
part of the bid to the GSM VAS Project
ref. 0417528.

أرجو التكرم بالتأكد من استلام مستندات الشركة الرئيسية
كوربوريشن والصالر كيم في إطار المزاد GSM VAS تحت رقم
المزاد 0417528.

These documents are listed as follows:

1. SEC Main Contract
2. Andrew Corporation Regional
Bond Number issued from The Saudi
British Bank dated October 15th 2005
3. Andrew Corporation Data Sheet (1)
(Andrew Document No. 1000)
4. Andrew Corporation Declaration
Letter for Phase I of Project 0417528
(Andrew Document No. 500) dated
07/07/2005
5. Andrew Corporation Terms and
Conditions (Andrew Document No.
1002)
6. Andrew Corporation Technical
Proposal (Andrew Document No.
1003)
7. Andrew Corporation Response to SEC
VASCommunicS04 (Andrew
Document No. 1004)

1. وثيقة العقد الرئيسية مع الشركة
2. رقم الرابطة الإقليمية الصادر من البنك السعودي البريطاني بتاريخ 15 أكتوبر 2005
3. ورقة بيانات الشركة (1)
(الوثيقة رقم 1000 لشركة أندرو)
4. خطاب إعلان الشركة لمرحلة I من مشروع 0417528
(الوثيقة رقم 500 لشركة أندرو) بتاريخ 07/07/2005
5. شروط وأحكام الشركة (الوثيقة رقم 1002 لشركة أندرو)
6. مقترح فني الشركة (الوثيقة رقم 1003 لشركة أندرو)
7. استجابة الشركة لرسالة SEC
(الوثيقة رقم 1004 لشركة أندرو)

Please be advised that our signature on the
Main Contract item #1 is valid based on
acceptance by Saudi Telecom Company of all
submitted contract items (1-7) as listed
above. Should you have comments or
concerns, please respond within one week.

أرجو التنويه بأن توقيعنا على العقد الرئيسي
(مستند رقم 1) صحيح بناءً على قبول شركة الاتصالات
السعودية لجميع البنود (1-7) المقدمة (المستندات)
من 1 إلى 7. وإذا كان لديك ملاحظات أو مخاوف
تفضلنا كتابة توجّه تكمّم بالردّ عليه في غضون أسبوع واحد
تاريخه.

Very truly yours,

Terry Garner
Group President
Andrew Network Solutions Group
Andrew Corporation

المخلص

تيري جارنر
رئيس مجموعة
أندرو لحلول شبكات الأنظمة
أندرو كوربوريشن

C 6

PTX-232

PLAINTIFF'S
EXHIBIT

55

9/27/06 JC

Document 88 of 96

PRODBEG = AND_EF135778
PRODEND =
TREATMENT : Confidential Information
 : TPI v. Andrew, CA No. 05-00747-LSR
FILENAME : Letter.AND_EF0000528.jpg
ATTACHMENT :
FILEPATH : ~~\\00747\DATA\TPI\TPI Concordance\AND_EF0000528\AND_EF135777\AND_EF135778~~
FILEPATHNEW :

PTX-232

C7

Excerpts of Trial Transcripts

Sheehan - direct

157

1 *** (Plaintiff's Exhibit No. 94 was received into
2 evidence.)

3 BY MR. MILCETIC:

4 Q. Now, when did TruePosition respond to this request for
5 proposal?

6 A. I believe we responded in late 2004. I think in the
7 December time frame.

8 Q. Okay.

9

- - -

10 Q. Is it your understanding that Andrew Corporation also
11 responded?

12 A. Yes.

13 Q. And when would that have been?

14 A. I assume roughly the same time frame.

15 Q. I'd like you to take a look at Exhibit PX-320 and tell
16 me whether you recognize that document.

17

- - -

18

19

20

21

22

23

24

25

Sheehan - direct

158

1

2 A. Did you say 320?

3 Q. Yes.

4 A. Don't believe I have 320 in this folder. Can someone
5 provide me again?

6 Q. All right. Was the Saudi contract important --

7 MR. MILCETIC: May I approach?

8 THE COURT: Yes, you may.

9 (Mr. Milcetic handed documents to the witness.)

10 THE WITNESS: Thanks, Paul.

11 BY MR. MILCETIC:

12 Q. Let me step back for a second. Do you recognize
13 Exhibit 320?

14 A. Yes, I do. It's our response to that Saudi Telecom
15 proposal.

16 MR. MILCETIC: I'd like to offer in evidence
17 Exhibit 320.

18 MR. DESMARAIS: No objection.

19 (Plaintiff's Exhibit No. 320 was received into
20 evidence.)

21 BY MR. MILCETIC:

22 Q. Now, was this contract important to TruePosition?

23 A. Yes. Yes, it was. This was -- although not, you
24 know, not as large as the contracts that we already had
25 here in the U.S. This was kind of a flag -- a flagship

Sheehan - direct

159

1 opportunity in a key new area of the marketplaces, which
2 I referenced earlier, the area of national security and
3 terrorist tracking, which was obviously very relevant,
4 especially in that part of the world, the Middle East,
5 and Saudi Telecom was viewed as the largest and most
6 prominent operator or wireless carrier in that part of
7 the world.

8 Q. Now, you see up there on the screen, it actually says
9 GSM; right?

10 A. Yes.

11 Q. So the Saudi network, what kind of network is that
12 cellular network?

13 A. It is a GSM network.

14 Q. Okay. Your -- you mentioned earlier you had patents.
15 Do you remember that?

16 A. Yes.

17 Q. How many again?

18 A. Me, personally?

19 Q. Yes.

20 A. I think between 15 and 20.

21 Q. Do any of your patents talk about control channels?

22 A. I believe so, although I don't recall for sure.

23 Q. In a GSM cellular network, is there a control
24 channel?

25 A. Yes, there is.

Sheehan - direct

160

1 Q. What is it?

2 A. The most prominent one we refer to is the stand-alone
3 dedicated control channel, also known as the DSCCH.

4 Q. Why else was this, if anything, why else was this
5 contract important to TruePosition?

6 A. I think it's -- it was our first international
7 opportunity. Like I said before, it was in a part of the
8 market with a flagship customer that we knew was going to
9 be a big -- big part of the growth of the industry. And
10 it was an opportunity for us to sell a product targeted at
11 this terrorist -- terrorist tracking application.

12 Q. When did you first realize that you had lost the Saudi
13 contract?

14 A. I believe it was the middle of 1995, we had been told
15 by people within Saudi Telecom that we had won the business,
16 we had been evaluated by them to be superior technically.
17 We had seen copies of their score sheets on the RFP that
18 showed that we were ranked superior to everybody, including
19 Andrew, by over ten points. And we were being told up
20 until that point in time that purchase orders weren't in
21 process and that they were going to be placing the orders
22 with us any moment.

23 Q. Okay. When was it that you learned that you weren't
24 going to get the contract?

25 A. It was -- it was -- I don't remember the exact day or

Anderson - redirect

470

1 lawsuit; is that right?

2 A. That's correct.

3 Q. Okay. And then it says, over the past few years. Do
4 you see that?

5 A. Yes.

6 Q. Could you read that?

7 A. Over the past few years, the cellular industry has
8 increased the number of air interface protocols available
9 for use by wireless telephones.

10 Q. Can you explain what that means?

11 A. What it means is that over -- over the -- over that
12 several-year period, in addition to having just the old
13 analogue or AMPS cellular telephone standard or method,
14 others -- others had been added, such as the TDMA standard,
15 CDMA, as well as GSM.

16 Q. Okay. And then, could you take a look at Column 3
17 of this exhibit, and read the part that begins -- I'm
18 sorry. Column 3, beginning with, The changes in
19 terminology.

20 A. The changes in terminology and increases in the
21 number of air interface protocols do not change the basic
22 principles and inventions discovered and enhanced by the
23 assignee of the present invention.

24 Q. What did you mean by that?

25 A. It -- it means that the -- the invention, the concepts

Anderson - redirect

471

1 that are described in the invention cover -- cover a
2 multitude of cellular air interfaces. It's not just --
3 it doesn't just pertain to one. It doesn't just pertain to
4 AMPS or just TDMA. It covers all of them.

5 Q. Is that what you thought in September 2002?

6 A. Yes.

7 Q. Is that what you think today?

8 A. Yes, it is.

9 Q. Do you believe that there's any difference between
10 doing time difference of arrival in the control channel
11 and the GSM network as opposed to any other network?

12 A. No.

13 Q. Now, I'd like to continue with what you said in 2002,
14 three and a half years before the lawsuit was filed.

15 Do you see here in -- in Column 4, you actually
16 talk about GSM, selling their network.

17 Do you see that?

18 A. Yes, I see that.

19 Q. And could you read the first sentence?

20 A. GSM -- this air interface is defined by the
21 international standard global system for mobile
22 communications.

23 Q. Okay. And then there are two sentences down, and
24 could you slowly read that sentence, beginning with,
25 Control channels?

Anderson - redirect

472

- 1 A. Yes. Control channels are known as stand-alone
2 dedicated control channels, SDCCH, and are transmitted
3 in bursts in time slots assigned for use by SDCCH.
- 4 Q. All right. And then could you read the sentence
5 that begins, Voice channels?
- 6 A. Voice channels are known as traffic channels.
- 7 Q. Okay. So in 2002, did you think that a traffic
8 channel and a stand-alone dedicated control channel is the
9 same thing?
- 10 A. No. They are different.
- 11 Q. Why? How are they different?
- 12 A. They're different in that the traffic channels are
13 primarily used to send voice data and the -- and the
14 control channels are primarily used to send signalling
15 data.
- 16 Q. Okay. And would you believe in -- and did you
17 believe in 2002 that a stand-alone dedicated control
18 channel is a control channel?
- 19 A. Yes.
- 20 Q. Do you believe that today?
- 21 A. Yes, I believe that today as well.
- 22 Q. Have you ever believed otherwise?
- 23 A. I have never believed otherwise.
- 24 Q. Is the stand-alone dedicated control channel just
25 the name that a GSM gives to the control channel?

Beckley - direct

519

1 the particular parts of our patent and said that these
2 are what we're concerned about, please provide us
3 information about these.

4 Q. Is that PTX-18, should be the last one in your pile?

5 A. Yes, it is.

6 Q. And is that also a letter from your attorneys to
7 Andrew?

8 A. It's to Andrew's attorneys, but, yes, that's correct.

9 MS. MILSARK: I move the admission of PTX-18 if
10 it's not already in.

11 MR. DESMARAIS: I believe it's in.

12 MS. MILSARK: Okay.

13 Can we see the attachment, please? The next
14 page.

15 BY MS. MILSARK:

16 Q. Is this what you were referring to when you said
17 compared the RFP to the claims of the patent?

18 A. Yes, as I recalled, they asked for specific detail
19 and we went through and provided the specific detail they
20 asked for. It goes on for several pages.

21 Q. What happened next?

22 A. Well, they didn't respond to this one. So ultimately,
23 we filed suit again.

24 Q. At the time of these letters, do you know whether
25 Andrew was already shipping equipment to STC?

Beckley - direct

520

1 A. No, I don't. We -- information from -- from Saudi
2 Arabia was difficult and sparse, but we heard that they
3 were in the midst of at least negotiating a contract at
4 the time.

5 Q. So did you give up on the deal?

6 A. Oh, no. No, not at all.

7 Q. What did you do instead?

8 A. Well, I -- our salesmen I think kept doing what it
9 is that they do. There was a time when we were working
10 with -- there's a company called Nour Communications.
11 Nour Communications is a company in Riyadh that provides
12 installation services and that sort of thing for STC, and
13 Nour came to our sales guys and asked for more information.

14 So I wrote a couple of letters to Nour. I
15 think I may have written one to STC explaining this is a
16 lawsuit, this is different than the prior lawsuit, there's
17 no license, that sort of thing.

18 Q. Was the STC contract important to TruePosition?

19 A. It's very important, yes.

20 Q. Why?

21 A. Well, it was important for a number of reasons.

22 One, for the obvious reason because everyone
23 thought it was a very, very large contract, and so the
24 revenue would have been good to have.

25 Two, up until that time, both Andrew and we

Beckley - direct

521

1 had been selling our voice channel product in the United
2 States, to find 911 calls. But no one had sold any TDOA,
3 which is our technology, TDOA products outside of the
4 United States.

5 So this was going to be not only a very large
6 sale, but the first international sale.

7 So it was, in effect, proving a market.

8 In addition to that, STC, in the Middle East,
9 is a very large and influential telephone company. And
10 we thought that to make a sale to STC, that would be the
11 lead that other telephone companies would follow when
12 they made their purchasing decision.

13 Finally, I guess you could also say it
14 affected our valuation, because we had the loss of the
15 expected revenue under that contract, and with the loss
16 of the revenue, we were forced to do a little cutback to
17 the company.

18 Q. Cutbacks. What do you mean?

19 A. We had to let a number of people go.

20 Q. Do you remember how many?

21 A. Not exactly, but it was in the 25 neighborhood.

22 Q. Okay. I think you said the contract lowered the
23 value of your business or losing the contract lowered the
24 value of your business? Did you ever quantify that?

25 A. I didn't quantify it personally. Someone may have

Beckley - direct

522

1 quantified it.

2 I know that at the time, Andrew Telecom was
3 talking to our largest shareholder, Liberty Media, about
4 buying our company, and I believe that they indicated
5 that they felt that there's a difference of a hundred
6 million dollars as a result of losing this business in
7 terms of our valuation. That's from recollection.

8 Q. Okay.

9 MS. MILSARK: I don't have any further.

10 Thank you, Mr. Beckley.

11 THE COURT: All right. I guess we'll go
12 forward for five minutes on cross.

13 MR. DESMARAIS: Whatever you'd like, your Honor.

14 CROSS-EXAMINATION

15 BY MR. DESMARAIS:

16 Q. Good afternoon, Mr. Beckley.

17 A. Good afternoon.

18 Q. Let me just pick up on the agreement, which was
19 PTX-15-R.

20 It says in the first page, whereas the
21 plaintiffs filed a lawsuit, plaintiffs in that case was
22 TruePosition; right?

23 A. TruePosition and a subsidiary of ours called KSI.

24 Q. And then it lists the patents that that suit
25 involved; is that right?

Gottesman - direct

755

1 Q. Okay. Now, in this case, you were asked to look at an
2 accused product that belonged to Andrew Corporation; is that
3 right?

4 A. That is correct.

5 Q. And is it correct to say that this product is -- has
6 got multiple pieces in it; is that right?

7 A. Yes.

8 Q. And those multiple pieces, to understand how they
9 work, you would have to understand how the hardware in
10 those computer pieces work; is that right?

11 A. That's part of what you need, yes.

12 Q. Is that part of what you need?

13 A. Yes.

14 Q. And would you also need to understand the software
15 of -- of -- that's inside these -- these pieces as well?

16 A. Yes, that is correct.

17 Q. And then, even if you understood the software, and
18 you understood the computer instructions, you would then
19 have to understand what type of signal processing was
20 really going on once you interpreted those languages to
21 really understand what's going on; is that right?

22 A. Yes. The -- the software is actually showing you
23 line by line exactly the recipe, the operation, that the
24 computer does, the machine does.

25 Q. But let's assume -- let's assume that you knew how to

Gottesman - direct

756

1 read the computer languages, but you didn't understand
2 signal processing.

3 Would you be able to understand what this
4 accused product is doing?

5 A. Only partially, I would say.

6 Q. Why is that?

7 A. Because you need also to understand what -- the signal
8 processing that is going on there, because some of the
9 operation are related to operations that are within the area
10 of signal processing, and you need to understand what is the
11 purpose of them, how they're done, and there are many --
12 sometimes different ways of doing that. So that is the
13 reason you need that.

14 Q. Okay. All right.

15 MR. MILCETIC: Your Honor, may I approach the
16 witness?

17 THE COURT: Yes.

18 (Mr. Paul handed documents to the witness.)

19 BY MR. MILCETIC:

20 Q. Now, Dr. Gottesman, actually, I was going to get into
21 the details of your opinion, but, first, I want to sort of go
22 high level.

23 So to -- to come to your opinion that Andrew
24 Corporation infringes, what, from a high-level standpoint,
25 did you do?

Gottesman - direct

757

1 A. I first extensively read and analyzed the patent. I
2 read and understood the Court's claim construction. And I
3 analyzed the software that runs on the GeoMetrics system.
4 I reviewed a lot of internal documents by Andrew
5 Corporation that included user guides and schematic diagrams
6 and description of the hardware and the software. And I
7 listened to depositions, transcript -- actually, I read
8 deposition transcripts by Andrew employees.

9 Q. Did you also physically look at the pieces of the
10 accused product?

11 A. Yes. I had one visit to Andrew Corporation facility,
12 where I was able to visually inspect the GeoMetrics,
13 component of the GeoMetrics system.

14 Q. And what did you do? Just look at the outside of it?

15 A. I looked at -- there were two -- two boxes, two
16 computers, two WLS units, two different versions, Version 2,
17 Version 3, that their cover was removed, and I could look
18 at them, and I wanted to look more, but I was not allowed to
19 remove. I asked for, but they didn't allow me to remove any
20 portion of that.

21 So I could inspect that visually, look at the
22 boards, look at the components, look at how it looks, and
23 identify a lot of the components and I also looked at the
24 so-called GCS, the geolocation control server or system,
25 which is several machines that were located in another

Gottesman - direct

758

1 room.

2 Q. Let me just get back to the components.

3 So do you actually look inside these things that
4 you called WLSSs?

5 A. Yes.

6 Q. Okay. And did you actually look at the chips and the
7 boards in those WLSSs?

8 A. Yes, I did.

9 Q. And did you actually review the code that runs on those
10 chips and boards?

11 A. Not at the same time. I reviewed the code, the source
12 code, you mean?

13 Q. Yes.

14 A. Source code is the program. I reviewed that before.

15 Q. Separately?

16 A. Yes.

17 Q. All right.

18 A. When I was there, I just visually inspect the machine,
19 just the hardware.

20 Q. Okay. And did you, at some point, also review the code
21 on what you referred to as the GCS?

22 A. The GCS?

23 Q. Yes.

24 A. Yes.

25 Q. Okay. What is the -- what does the GCS stand for?

1 THE COURT: Let's bring the jury in.

2 - - -

3 (Pause.)

4 (At this point the jury entered the courtroom and
5 took their seats in the box.)

6 THE COURT: Good morning, ladies and gentlemen.

7 And you all may be seated. I apologize about
8 the temperature in this building. In order to change it,
9 we have to call New Jersey, and if you change it from one
10 extreme, you'll simply get the next extreme, so if you
11 want to decide whether you'd rather be cold or hot, let us
12 know.

13 A JUROR: Cold.

14 THE COURT: Otherwise it's one way or another.

15 All right. Mr. Milcetic.

16 MR. MILCETIC: Thank you, your Honor.

17 - - -

18

19

20

21

22

23

24

25

Gottesman - direct

909

1

2

PLAINTIFF'S TESTIMONY

3

CONTINUED

4

5

... ODED GOTTESMAN, having been

6

previously duly sworn as a witness,

7

was resumed and testified further as

8

follows ...

9

DIRECT EXAMINATION

10

CONTINUED

11

BY MR. MILCETIC:

12

Q. Dr. Gottesman. Good morning.

13

A. Good morning.

14

Q. Do you mind if we just go over real quick some of

15

what we went over on Friday, because I think some of it

16

may not be entirely clear on the record.

17

A. Please.

18

Q. Okay. You said you had a Bachelor of Science,

19

Master of Science and Ph.D.

20

Do you remember that?

21

A. Yes.

22

Q. In what discipline?

23

A. It's in electrical and computer engineering, all

24

three.

25

MR. MILCETIC: Your Honor, actually, I'd like

Gottesman - direct

910

1 to tender Dr. Gottesman as an area in the expert of cell
2 phone location, signal processing and computer programming
3 and hardware.

4 THE COURT: Any objection?

5 MR. AROVAS: No objection.

6 THE COURT: Thank you.

7 BY MR. MILCETIC:

8 Q. On Friday we talked about source code that you
9 reviewed as the basis for your infringement claim. Do you
10 remember that?

11 A. Yes.

12 Q. And did you review versions of the source code at
13 Iron Mountain facility?

14 A. Yes, I reviewed nine versions of the source code at
15 Iron Mountain.

16 Q. What did that amount to in terms of an equivalent
17 paper source code?

18 A. I can guess, you know. One version took 21 boxes,
19 so I would say 189 boxes of -- each 3,300 pages, something
20 like that.

21 Q. And over what period of time did you do that source
22 code review?

23 A. That was between August and November of 2006.

24 Q. How many visits do you think you made to the Iron
25 Mountain facility?

Gottesman - direct

911

1 A. About five.

2 Q. And did you -- you did, in fact, prepare an expert
3 report in this case; is that right?

4 A. That is correct, yes.

5 Q. How -- how in depth or how long was that expert
6 report?

7 A. 112 pages long.

8 Q. Did that describe the source code in some detail?

9 A. Yes. It provides some introduction and later on it
10 focuses on the claims.

11 Q. Now, the slides that the jury saw last week say
12 Compandent on them. What is Compandent?

13 A. Compandent is my company.

14 Q. I believe you testified the version of the source
15 code, although there were a number of the versions on the
16 Iron Mountain laptop, the version you focused on was
17 2005.2.1000; is that correct?

18 A. That is correct.

19 Q. Do you see PTX-393 in your binder?

20 A. I don't have a binder.

21 Q. So I guess you don't.

22 MR. MILCETIC: May I approach the witness?

23 THE COURT: You certainly may.

24 (Mr. Paul handed a binder to the witness.)

25 THE WITNESS: Thank you.

Gottesman - direct

926

1 Q. All right. Could we put up, again, the slide
2 showing the different frequencies in the GSM network?

3 Could you tell us, again, what that slide is
4 showing, Dr. Gottesman?

5 A. That slide shows -- it's a table showing four
6 different networks. Each network has a row in this table.
7 And it's showing, for each network, for example, the range
8 of frequencies for the up link or the reverse direction
9 and in the down link range of frequencies in the down link
10 column.

11 So, for example, it was, I believe, the network
12 in Saudi Arabia was described as -- I believe it was 1900,
13 for example. One of them was the 1900. I will refer back.

14 No. I think it was the 1800. Yes. DCS1800.

15 So, for example, in that network, the DCS1800,
16 then, the range on that particular network would be the
17 range for the reverse control channel, between 1710
18 megahertz to 1785 megahertz.

19 Q. And would a stand-alone dedicated control channel be
20 assigned one of those when it's carrying information in
21 the reverse direction?

22 A. Pardon?

23 Q. Would a stand-alone dedicated control channel signal
24 be assigned to one of those frequencies when it's carrying
25 information in the reverse direction?

Gottesman - direct

927

1 A. Yes.

2 Q. Could we go back to the slide showing Claim 31? And
3 then periodic, what was that again?

4 A. Discontinuously.

5 Q. And did the stand-alone dedicated control channel
6 transmissions from a cell phone, were they sent on and off
7 or all the time?

8 A. They're sent once in a while, so it's transmitted
9 discontinuously.

10 Q. Could you remind us again, for what purpose are they
11 sent once in a while?

12 A. For example, to give the registration of the user
13 within the network and to set up a phone call.

14 Q. Okay. Could we go to the next element, please?

15 Do you think that Step B of Claim 22 is in the
16 GeoMetrics system that's shipped and contracted for and
17 installed in the Saudi Telecom network?

18 A. Yes.

19 Q. All right.

20 A. These are locating means for automatically determining
21 the locations of said cellular telephones by receiving and
22 processing signals emitted during said periodic reverse
23 control channel transmissions.

24 So we are talking here about the software that
25 is in the central computer that is used to locate, to

Gottesman - direct

928

1 determine the location of the cell phone, so the software
2 that's running on the central computer is the locating
3 means. For automatically determining the location of
4 cellular telephones. That's what it does. So the
5 software are the means for automatically determining the
6 location of that cell phone.

7 And once they receive the transmission from
8 the cell sites, with the results of the time of arrival,
9 they automatically determine the location. And maybe we
10 can refer to the Court order to construe this step.

11 Q. Sure. Go ahead.

12 (Pause.)

13 THE WITNESS: It should be PTX-2.

14 BY MR. MILCETIC:

15 Q. It's not going ton an exhibit. I think it is at
16 the beginning of your binder.

17 A. I'm not sure if I have it.

18 (Pause.)

19 MR. MILCETIC: May I approach the witness, your
20 Honor?

21 THE COURT: Yes, you certainly may.

22 (Mr. Paul handed an exhibit to the witness.)

23 THE WITNESS: Okay. There is a court order,
24 Court construction, for this type of -- it's called
25 means-plus-function claim because it includes not only

Gottesman - direct

929

1 the function, but also means to perform the function.

2 And the Court construction in a nutshell refers
3 to Figure 7, the first six blocks in Figure 7. And some
4 sections -- and also Figure 8A to -- 8A to 8D, and the
5 corresponding sections within the specification, the
6 patent specification.

7 That's how I understand -- well, the Court
8 interpreted the meaning of that step and that's how I
9 understood it and that is what I relied on in order to
10 determine infringement in this -- perform this step within
11 the system in Saudi Arabia.

12 BY MR. MILCETIC:

13 Q. Just for the sake of the record, could you read the
14 Court's construction into the record?

15 A. On Page 4, Section No. 7: Locating means for
16 automatically determining the locations of said cellular
17 telephones by receiving and processing signals emitted
18 during periodic reverse control channel transmissions.

19 112. The function of the disclosed structure
20 is to determine without a specific request to do so the
21 locations of cellular telephones by receiving and
22 analyzing the signals that the cellular telephones --
23 periodically over the reverse control channel. The means
24 of the disclosed structures is a computer processor
25 programmed to perform the algorithm disclosed at Column

Gottesman - direct

930

1 13, Line 32 to 62, ending with the letter capital C.

2 Figure 7 at the first six blocks and table,
3 Column 17, Line 26 to Column 18, Line 34, ending with
4 0.0001, but minus any reference to frequency difference data
5 frequency difference results or frequencies. And Figure
6 8A through the top four elements of Figure 8D, minus any
7 reference to frequency differences or frequencies, or
8 equivalent to such computer processor.

9 Q. Okay. Let's just take that in some small bytes.

10 First of all, did you say that this is a
11 means-plus-function claim element?

12 A. Yes.

13 Q. And can you tell me what your understanding of how
14 you literally prove, based on what your understanding was
15 when you were rendering this report, how one would
16 literally prove infringement of a means-plus-function
17 claim element?

18 A. Okay. So this -- this is a means-plus-function
19 claim. It's a different type than the claim we had before
20 that was a method claim.

21 In order for a means-plus-function element to
22 be literally in the accused product, the accused product
23 has to perform the identical function. There is a
24 function here that we'll go through, so it -- to have the
25 identical function, and the structure that is the same

Gottesman - direct

931

1 or equivalent to the structure in the patent that is
2 corresponding to that particular means-plus-function
3 element.

4 Q. In this case, is the structure that you are talking
5 about a set of computer steps?

6 A. Yes. It's computer software.

7 Q. Algorithm is another name for it?

8 A. It's a fancier name, yes.

9 Q. All right. Let's take this in small bytes. Step B
10 of Claim 31: Locating means for automatically determining
11 the locations.

12 Is that at the GCS -- owe is that satisfied by
13 the processing at the GCS central computer that you were
14 talking about on Friday?

15 A. Yes.

16 Q. What function of the source code was that in, again?

17 A. The location is determined within the function called
18 fix mix.

19 Q. And receiving and processing signals emitted during
20 said periodic reverse control channel transmissions. The
21 reverse control channel transmissions, I guess we probably
22 said this a million times, but that is stand-alone
23 dedicated control channel transmissions?

24 A. Yes.

25 Q. And receiving and processing signals, is that --

Gottesman - direct

932

1 would that be the process of receiving the signals at the
2 cell antennas and then returning the DF results messages
3 to the central computer for location calculation?

4 A. That is correct.

5 Q. Okay. And -- now, you said that in order for the
6 element to be literal represent in the accused product,
7 first, the identical function had to be performed; is that
8 right?

9 A. Yes.

10 Q. In this case, the Court has interpreted the function
11 to be determining without a specific request to do so.
12 Those are the first words?

13 A. Yes.

14 Q. Okay. Now, let me ask you this: The determining
15 without a specific request to do so, this overall process
16 that's going on in GeoMetrics, is that the overall
17 process -- is that as a result of a request or not?

18 A. The overall process starts by some request that
19 comes from the user of some software that sends some
20 request for determining location of -- targeting certain
21 phone.

22 Q. All right.

23 A. That's at the very beginning, before the system starts
24 operating.

25 Q. All right. So the GeoMetrics system does, in fact,

Mulhern - direct

1185

1 million.

2 Q. Is it your opinion that the 20 million for the
3 phases one and two would be adequate to compensate
4 TruePosition for Andrew's infringement?

5 A. No, I don't believe so. I think the evidence I've
6 reviewed makes it pretty clear that these systems are
7 not interchangeable -- not readily interchangeable. That
8 is, mixing and matching equipment from different vendors
9 would not work easily or cost less.

10 This means that the fact that STC has chosen
11 to begin its rollout with Andrew equipment makes it very
12 likely that it will continue its rollout with Andrew
13 equipment, thereby displacing TruePosition from the
14 entire sale.

15 My job is to calculate damages that are
16 sufficient to compensate TruePosition's losses here,
17 and I believe the evidence is clear that TruePosition
18 is likely to be displaced from the entire sale.

19 Q. Could you look at PTX-389? This was admitted
20 yesterday. It's a redacted copy of Andrew's answers
21 to TruePosition's second set of interrogatories.

22 MS. MILSARK: And could we have Page 4?

23 BY MS. MILSARK:

24 Q. Did this document support your view that Andrew has
25 won an entire contract?

Mulhern - direct

1186

1 A. Yes, it does. In interrogatory 18, this is Andrew's
2 answers to TruePosition's questions. Interrogatory is a
3 fancy name for questions.

4 It's talking about Andrew's efforts to displace
5 TruePosition. And in the second paragraph there, it says,
6 Andrew won the STC contract through the tender process.
7 So it appears that Andrew is agreeing that it won the STC
8 contract.

9 Q. Have you seen public statements that corroborate
10 this view?

11 A. Yes. When Andrew was awarded the first phase of the
12 STC contract, the press release that it issued made it
13 very clear that it expected this to be part of a much
14 larger sale and it referred to, I think, multi phases,
15 and it referred to a network that was expected to have
16 thousands of sites.

17 Q. Do Andrew internal documents reflect this view?

18 A. Yes, they do. The Andrew revenue forecasts,
19 revenue projections I looked at, showed that Andrew was
20 projecting revenues not only from phase one and phase
21 two of the STC contract, but phase three and phase four
22 as well.

23 Q. And was there testimony to that effect?

24 A. Yes, there was. Andrew's financial witnesses
25 testified that they expected to earn revenues from the

Mulhern - direct

1187

1 STC deal in future phases.

2 Q. Have you seen any additional recent evidence to
3 this effect?

4 A. Yes. Just a couple of weeks ago, before coming to
5 trial here, Andrew issued another press release that it
6 had been awarded phase three of this contract and, again,
7 in that language supported the idea that this was
8 expected to be a multi-phase contract covering, I think
9 they used the phrase, many thousands of cell sites.

10 Q. You've said a couple of times that you have been
11 conservative in your calculations. Are there any other
12 ways you've been conservative or any other sources or
13 potential harm to TruePosition that are not captured in
14 your \$45 million number?

15 A. Yes. I think there are two other potential sources
16 of harm to TruePosition here that I have not attempted to
17 quantify and are not included in my \$45 million lost-
18 profits estimate.

19 The first is really that both parties
20 expected the STC sale to be to follow-on work in the
21 Middle East. They both expected, I think I saw reference
22 to it as a flagship sale. They both expected there to
23 be lots of Middle East follow on work in the security
24 applications area.

25 Given, again, that these parties compete head

Mulhern - direct

1188

1 to head, it seems likely that the fact that Andrew has
2 won the STC contract through its infringing conduct, it
3 seems likely that TruePosition will be displaced in future
4 or at least possible that TruePosition could be displaced
5 in future from some of this Middle East business. And I
6 have not attempted to quantify that.

7 There is some evidence with respect to an
8 operator in Cutter, it's called Q-Tel, that suggested
9 this might actually be happening.

10 The second source that seems of potential
11 injury that I have observed, as I mentioned, there has
12 been a lot of price competition between TruePosition
13 and Andrew with respect to this STC sale and I think
14 that likely is depressing the price at which these
15 systems are sold. It has an effect on the market price.
16 And so to the extent that TruePosition is able to get
17 this business in the future, I think it's quite possible
18 that the business will come at depressed prices. That
19 is another source of potential injury to TruePosition
20 that I have not attempted to quantify.

21 Q. Would it be appropriate for the jury to split the
22 difference and take a number somewhere between your 45
23 million and somewhere between a number that I expect
24 Andrew will proffer?

25 A. No. For the reasons I described, I have attempted

Mulhern - direct

1189

1 to give Andrew the benefit of the doubt where possible
2 and I think that \$45.3 million represents a conservative
3 estimate of the financial injury to TruePosition in this
4 case.

5 Q. So let's say one more time. What is your
6 conclusion with respect to damages in this case?

7 A. My conclusion is that TruePosition was harmed in
8 the amount of \$45.3 million.

9 MS. MILSARK: I have no further questions.

10 THE COURT: All right. Why don't we take our
11 15-minute morning break before we start cross?

12 15 minutes, ladies and gentlemen.

13 (At this point the jury was excused for a short
14 recess.)

15 THE COURT: All right.

16 (Short recess taken.)

17 - - -

18

19

20

21

22

23

24

25

Mulhern - redirect

1241

1 Q. There was discussion of the Anderson testimony and
2 the Gross testimony, about the possibility that you
3 could do, I don't know, location on a traffic channel.

4 Do you recall that?

5 A. I do.

6 Q. Do you have an understanding about what would be
7 involved in order to do that?

8 - - -

9 A. Yes. In the cross-examination after submitting my
10 expert report in this case and reviewing the opposition
11 expert report. I wanted to look into it more, to
12 investigate it.

13 It does appear that Mr. Gross and Mr. Anderson
14 testified that there may be, from a technical perspective,
15 a way to achieve idle mode location using a traffic channel.

16 - - -

17

18

19

20

21

22

23

24

25

Mulhern - redirect

1242

1

2 A. (Continuing) My understanding is that that would
3 avoid the patent. But my further understanding is that
4 in order to implement this solution, it would require
5 some change in configuration to the way the GSM networks
6 typically operate.

7

8 Now, in other words, it would require the
9 Ericsson's or Nokias or Siemens of the world to change the
way they do things.

10

11 When I learned about this, I looked in the
12 evidence to find whether Andrew had presented any evidence
13 that suggested that these RAN vendors would be able to --
14 willing to effect such a change, and I have seen no
evidence to that effect.

15

16 And my understanding in further conversations
17 with Mr. Anderson is that his expectation is that this
18 would be costly for them to implement it and that it would
19 require changes in their software. And I have not seen
20 any -- as an economist, I can see I don't see what their
21 incentive would be to make this change so that Andrew to
22 avoid infringing this patent. I don't see the incentive
there.

23

24 Q. Did you see any evidence of how long it would take
to do it?

25

A. No, I didn't, and that would be important to the

Mulhern - redirect

1243

1 inquiry. As I mentioned, we are talking about
2 alternatives that could be available at the relevant
3 period of time. That is, at this time it would be at the
4 beginning of this sale, early 2006. I have not seen any
5 evidence that such a change could have been implemented
6 in time to make this sale.

7 Q. You were shown the feasibility study, the draft
8 feasibility study that TruePosition submitted to ETSI.

9 Do you recall that?

10 A. Yes.

11 Q. And you were shown a paragraph that said something
12 about whether -- about licensing a patent; is that right?

13 A. Yes.

14 Q. Did you -- did that affect your analysis?

15 A. No. Again, Mr. Friedman suggested, as I testified,
16 I had not seen that prior to my expert report, but it was
17 brought to my attention in the opposing expert's report
18 and so, of course, I wanted to look at it and see if it
19 affected my opinions in any way. I concluded that it
20 didn't.

21 In looking that over, I didn't -- I didn't see
22 that that particular statement referred specifically to
23 the '144 patent at all. And I understood, as consistent
24 with how Mr. Sheehan testified, that TruePosition was of
25 the view that they were not -- there was no need for them

Magnusson - cross

1817

1 A. If the question is if it all fits into the standard
2 the same way, no, that's not correct, because they're all
3 fundamentally different, how to implement them in the
4 standard. So they are not exactly the same sockets. I
5 wouldn't say so.

6 Q. Well, the basic idea, though, is the way that it
7 communicates, this equipment with the cellular network,
8 and that really has nothing to do with the patent in
9 this case; right? The patent in this case is about
10 finding cell phones?

11 A. I don't know. I'm sorry.

12 Q. Now, you've put up this -- you have put up this
13 feasibility study. We've seen this a number of times;
14 is that right? Which had the statement about reasonable
15 nondiscriminatory terms; right?

16 A. Yes.

17 Q. And then we have the very next one. This is
18 Helsinki, Finland. In fact, you have this on your -- on
19 your timeline, I think. Finland. That's the very next
20 meeting (indicating).

21 A. Yes.

22 Q. And in that one, I assume you've had a chance to
23 review this document, since you were able to put
24 together this timeline?

25 A. Yes. I'm sure at some time I reviewed that

Magnusson - cross

1818

1 document.

2 Q. And this document does not contain any statement
3 about licenses on reasonable nondiscriminatory terms; is
4 that right?

5 A. The difference between this document and the other
6 document was that when the first document was presented
7 in the standard committee, TruePosition was told that it
8 was not the place holder to put their patent declaration
9 to this document. They have other protocol to do that
10 in the standards. It was explained before. So they
11 were kindly requested to remove this from the document
12 along with the logo and other things, just to make it
13 more adaptable to the templates we have in 3GPP.

14 Q. So let me just get this straight. The promise,
15 the promise, the first promise you're relying on to
16 make standards-compliant products that you told your
17 superiors about is a promise, again, that your company
18 wasn't at the meeting, and a promise that TruePosition
19 was told not to make again; right? By the standards
20 body, by 3GPP?

21 A. I'm sorry. I think you are putting words in my
22 mouth.

23 The committee did not tell them not to make
24 that promise. They said it's nice of you to make that
25 promise, but this document is not going to be making

Magnusson - cross

1819

1 that promise. We have another place holder for that
2 promise.

3 Q. And could we put up, I guess it's PTX-363?

4 You talk a lot about what you are supposed
5 to do under the ETSI policy. Now we're talking about
6 what you are supposed to do in the other standards body:
7 European Telecommunications Standards Institute; right?
8 That's the name of ETSI.

9 A. Correct.

10 Q. Okay. They are based in France; right?

11 A. Yes.

12 Q. Okay.

13 A. As far as I recall.

14 Q. And actually, we've heard a lot at this trial about
15 the third-generation partnership project. That is what
16 3GPP stands for; right?

17 A. Correct.

18 Q. Strictly speaking, though, Andrew and TruePosition
19 aren't partners in the third-generation partnership
20 project; right?

21 A. Again, now you're asking me to give some legal
22 interpretation and I'm not really the right person to do
23 that.

24 Q. Actually, on direct, you testified that ETSI was
25 the organizational partner in 3GPP. Strictly speaking,

Garner - cross

1874

1

2 A. I don't know for certain that that is who he --

3 Q. Well, isn't Al-Misehal Group your local agent in
4 Saudi Arabia and isn't Rob the Manager?

5 A. Yes. We do use Al-Misehal and there is a
6 gentleman by the name of Rob Wood who's part of that
7 organization.

8 Q. In fact, that is how you -- who helped you get
9 the contract in Saudi Arabia; right?

10 A. Our agent for our business in Saudi Telecom is the
11 Al-Misehal Group, yes, that's correct.

12 Q. So what you're talking about is passing information
13 to Saudi Telecom about the fraud counterclaim in this
14 case; right?

15 A. Well, it doesn't -- I don't see where it says
16 anything about STC here.

17 Q. Well, if you are passing along the information to
18 your agent in Saudi Arabia, wouldn't the assumption be
19 that it would then be conveyed to STC?

20 A. Perhaps we could make that assumption. I don't
21 see that -- that clearly spelled out in this e-mail
22 between two of our employees.

23 Q. I would like to -- unfortunately, there's no
24 stipulation in this case about what the actual contract
25 is with STC, so I'm going to have to go through with

Garner - cross

1875

1 you right now what the -- if you can tell me what --
2 whether some documents really are, in fact, a contract
3 with STC, between Andrew Corporation and STC. Is that
4 all right with you?

5 A. That is all right with me. Yes.

6 Q. All right. Could you turn to Plaintiff's Exhibit
7 232?

8 A. Yes.

9 Q. This is a letter from you to Saudi Telecom?

10 MR. DESMARAIS: Your Honor, I'm going to
11 object just until we get copies. We're not being
12 provided copies.

13 THE COURT: You need to provide copies.

14 MS. MILSARK: We did, your Honor.

15 (Pause.)

16 BY MR. MILCETIC:

17 Q. Is that correct, Mr. Garner?

18 A. This is a letter to Saudi Telecom signed by me.
19 Yes.

20 Q. And it's dated October 24, 2005; right?

21 A. Yes.

22 Q. And it lifts some -- some bullet points, including
23 some enclosures; correct?

24 A. Yes, that's correct.

25 MR. MILCETIC: I'd like to offer into

Garner - cross

1876

1 evidence Plaintiff's Exhibit 232.

2 MR. DESMARAIS: No objection.

3 THE COURT: Thank you.

4 DEPUTY CLERK: So marked.

5 *** (Plaintiff's Trial Exhibit No. 232 was received
6 into evidence.)

7 BY MR. MILCETIC:

8 Q. And then the next document, can you turn to
9 Plaintiff's Exhibit 216, please?

10 (Pause.)

11 THE WITNESS: Yes, sir.

12 BY MR. MILCETIC:

13 Q. Do you recognize that document?

14 A. Yes.

15 Q. This is a contract that's between Andrew Corporation
16 and Saudi Telecom; is that right? Signed by you, Terry
17 Garner; is that correct?

18 A. I believe this -- this is part of the contract with
19 STC. Yes, it is signed by me, that's correct.

20 MR. MILCETIC: I'd like to offer into
21 evidence Plaintiff's Exhibit 216.

22 MR. DESMARAIS: No objection.

23 THE COURT: All right.

24 DEPUTY CLERK: So marked.

25 *** (Plaintiff's Trial Exhibit No. 216 was received

Garner - cross

1877

1 into evidence.)

2 BY MR. MILCETIC:

3 Q. By the way, Mr. Garner, I notice on this contract,
4 this Plaintiff's Exhibit 216, it also dated September 30th,
5 2005; right?

6 A. Yes. That's what's written on the -- the document.

7 Q. But you actually signed this contract in February
8 of 2006; right?

9 A. I don't recall the date I signed the agreement, no.

10 Q. You have no idea when you signed either the
11 agreement with Saudi Telecom?

12 A. Not -- not detailed, no, sir, I don't.

13 Q. Other than Saudi Telecom, Mr. Garner, what other
14 contracts does your network solution have right now in
15 terms of major tier one carriers, selling equipment to
16 major tier one carriers?

17 A. We have contracts with Cingular and -- well, now
18 known as AT&T Wireless, and Team Mobile in the U.S.
19 Those are our other major carriers.

20 Q. In fact, didn't you lose the Cingular contract
21 to TruePosition and isn't your equipment being replaced
22 at Cingular?

23 A. For the UTDOA equipment, yes, that's correct.

24 Q. Okay. And, in fact, this Saudi Telecom contract
25 is the major asset in terms of contracts with the

Garner - cross

1878

1 networks solutions division at Andrew; isn't that right?

2 A. We -- we have -- have contracts with a number of
3 network -- network operators.

4 Q. I'm asking you, is this the biggest?

5 A. I'm sorry?

6 Q. Is this the biggest, the largest asset?

7 A. Let's see. The -- the last phase that -- that we
8 won was, I believe, \$9 million. That's -- that's
9 roughly equivalent to some of the contracts we have with
10 U.S. operators.

11 Q. So it's essentially the -- it is roughly equivalent,
12 then; is that correct?

13 A. Yes.

14 Q. In fact, didn't you present a power point
15 presentation where you said that if Andrew Corporation
16 didn't get this STC contract, that it would be
17 questionable whether this division within Andrew
18 Corporation would even survive?

19 A. I don't recall that particular presentation. It
20 may exist.

21 Q. Now, as far as signing this STC contract, Exhibit
22 216, you said you don't -- you don't remember when you
23 signed it.

24 A. Yes, sir. I do not recall the specific date I
25 signed this -- this particular part of the contract.

Garner - cross

1879

1 Q. Where were you when you signed it?

2 A. I believe I was -- would have been either in my
3 office in Ashburn or my office in Forest, Virginia.

4 Q. Were you alone when you signed this?

5 A. I don't know specifically whether I was alone at
6 the time or not.

7 Q. I would like to turn -- you to turn to Plaintiff's
8 Exhibit 233.

9 A. Yes, I see it.

10 Q. This is a document that also contains your
11 signature, right, to Saudi Telecom?

12 A. That's correct. It's a document to Saudi Telecom
13 with my signature on it.

14 Q. This is also part of the STC Saudi Telecom contract?

15 A. I believe this is part of the Saudi Telecom
16 contract, yes.

17 Q. Could you turn --

18 MR. MILCETIC: I would like to offer into
19 evidence Plaintiff's Exhibit 233.

20 MR. DESMARAIS: No objection.

21 THE COURT: Thank you.

22 DEPUTY CLERK: So marked.

23 *** (Plaintiff's Trial Exhibit No. 233 was received
24 into evidence.)

25

Garner - cross

1880

1 BY MR. MILCETIC:

2 Q. I would like you to turn to Plaintiff's Exhibit 220,
3 please.

4 (Pause.)

5 BY MR. MILCETIC:

6 Q. Do you recognize that document?

7 A. I believe, I can't be for certain, that this document
8 is also part of the Saudi contract.

9 Q. You believe it may be or --

10 A. I believe -- I believe it may be part of the Saudi
11 contract, yes.

12 MR. MILCETIC: All right. I would like to
13 offer into evidence Plaintiff's Exhibit 220.

14 MR. DESMARAIS: No objection.

15 DEPUTY CLERK: So marked.

16 *** (Plaintiff's Trial Exhibit No. 220 was received
17 into evidence.)

18 BY MR. MILCETIC:

19 Q. And could you turn to Plaintiff's Exhibit 219?

20 A. Yes.

21 Q. Is that also part of the Saudi contract?

22 A. This -- this is a letter sent to Saudi Telecom,
23 signed by me. I don't know whether it's part of the
24 contract or was part of the -- the contract process.

25 Q. But it is a letter from you to Saudi Telecom; is

Garner - cross

1881

1 that right?

2 A. That is correct.

3 MR. MILCETIC: I would like to offer into
4 evidence Plaintiff's Exhibit 219.

5 MR. DESMARAIS: No objection.

6 DEPUTY CLERK: So marked.

7 *** (Plaintiff's Trial Exhibit No. 219 was received
8 into evidence.)

9 BY MR. MILCETIC:

10 Q. So just to be clear so we don't make any mistakes,
11 we're offering in evidence Plaintiff's Exhibit 216, 232,
12 233, 220 and 219.

13 Mr. Garner, do you think -- I mean, you were
14 in the courtroom, right, when we saw a deposition clip
15 from Jim McDaniel about how the contract was signed in
16 February of 2006. That was on Friday of last week.

17 Do you remember that?

18 A. I recall seeing the clip. I don't recall that
19 specific date.

20 Q. Well, when you saw the clip, did you think, well,
21 he nailed it on the head. That is when I signed the
22 contract?

23 A. No. That thought didn't go through my mind. I
24 don't know whether that was the date I signed part of
25 this agreement or not. It could have been or it could

Garner - cross

1882

1 not have been. I just don't know.

2 Q. Where do you think Mr. McDaniel got that idea from?

3 A. I don't know.

4 Q. See, because the date of this contract is September
5 30th, the one that you just looked at; right?

6 A. Yes.

7 Q. And that's the same date as the September 30th
8 letter to Andrew Corporation about how you may be
9 infringing if you keep doing what you are doing with
10 respect to Saudi Arabia, that first September 30th, 2005
11 letter; is that right?

12 A. Have I seen that today?

13 Q. Yes. Certainly, you've seen it during the trial.

14 A. I don't deny that I've seen it. I just don't
15 recall the date on it. I'm sorry.

16 MR. MILCETIC: Nothing further. Thanks.

17 MR. DESMARAIS: Nothing further, your Honor.

18 THE COURT: All right. You may step down,
19 sir. Thank you.

20 (Witness excused)

21 - - -

22 MR. DESMARAIS: We now would like to play a
23 short deposition clip, your Honor, from TruePosition
24 employee Mr. Gross, and it's very short.

25 THE COURT: All right.

1 rather than reciting the glue itself.

2 When a claim limitation is in
3 means-plus-function form, it covers the structures
4 described in the patent specification for performing
5 the function stated in the claim, and also any structure
6 that is equivalent to the described structures. The fact
7 that the accused structure performs the claimed function
8 using components different from those used by the
9 structure described in the patent specification does not
10 matter, so long as the overall structures are equivalent.

11 The beginning, or preamble, portion of
12 a claim often uses the word comprising. In the patent
13 context comprising means including or containing. A
14 product claim that uses the word comprising or comprises
15 is not limited to products that have only the limitations
16 recited in the claim, but can also cover products that
17 have more limitations than what is included in the
18 claims. Likewise, a method claim that uses the term
19 comprising or comprises can cover methods that include
20 more steps than what is listed in the claim.

21 Let's take our example of the claim that
22 covers a table. If the claim recites a table comprising
23 a table top, legs and glue, the claim will cover any
24 table that contains these structures, even if the table
25 also contains other structures, such as a leaf or wheels

1 on the legs.

2 To decide the question of infringement,
3 you must first understand what the claims of the patent
4 cover. It is my duty under the law to define what the
5 patent claims mean.

6 You must ignore any different interpretation
7 given to these terms by the witnesses or attorneys.

8 If I have not provided a specific
9 definition for a given term, you are to use the ordinary
10 meaning of that term. I instruct you that the following
11 claim limitations have the following definitions.

12 Prescribed set of reverse control channels:
13 A predetermined range of frequencies that transmit
14 control information in only one direction, a cellular
15 telephone to a cell site.

16 Periodic and periodically means
17 discontinuously.

18 Timing signal. A signal that conveys timing
19 information.

20 Time stamp bits representing the time at
21 which said cellular telephone signals were received:
22 Binary units representing the time when cellular
23 telephone signals were received at the cell site.

24 Means for processing said frames of data
25 from said cell site systems to generate a table

1 identifying cellular telephone signals and the
2 differences in times of arrival of said cellular
3 telephone signals among said cell site systems: The
4 function of the disclosed structure is to analyze the
5 cellular telephone signals in order to generate a
6 table that identifies the differences in times of
7 arrival of said signals: The means of the disclosed
8 structure is a computer processor programmed to perform
9 the algorithm disclosed at Column 13, Lines 33 to 56,
10 ending with the acronym TDA; Figure 7 at the first four
11 blocks and table; Column 17, Lines 26 to 68, minus any
12 reference to frequency difference data or frequency
13 difference results; and Figures 8A to 8B minus any
14 reference to frequency differences, or equivalents of
15 such as a computer processor.

16 Means for determining, on the basis of said
17 times of arrival differences, the locations of the
18 cellular telephones responsible for said cellular
19 telephone signals: The function of the disclosed
20 structure is to determine, on the basis of time of
21 arrival differences, the location of the cellular
22 telephones whose signals are received. The means of
23 the disclosed structure is a computer processor
24 programmed to perform the algorithm disclosed at Column
25 13, Line 58, beginning with the word this, through

1 Column 13, Line 62, ending with the letter C; Figure 7
2 at the fifth and sixth blocks, Column 18, Lines 1
3 through 34, ending with 0.00001, but minus any
4 references to frequencies; and Figure 8C through top
5 four elements of Figure 8D, minus any reference to
6 frequencies; or equivalents of such a computer processor.

7 Locating means for automatically determining
8 the locations of said cellular telephones by receiving
9 and processing signals emitted during said periodic
10 reverse control channel transmissions: The function
11 of the disclosed structure is to determine, without a
12 specific request to do so, the locations of cellular
13 telephones by receiving and analyzing the signals that
14 the cellular telephones broadcast periodically over
15 the reverse control channel. The means of the disclosed
16 structure is a computer processor programmed to perform
17 the algorithm disclosed at Column 13, Lines 33 to 62,
18 ending with the letter C; Figure 7 at the first six
19 blocks and table; Column 17, Lines 26 to Column 18,
20 Line 34, ending with 0.00001, but minus any reference
21 to frequency difference data, frequency difference
22 results or frequencies; and Figures 8A through the
23 top four elements of Figure 8D, minus any reference to
24 frequency differences or frequencies, or equivalents
25 of such a computer processor.

1 Database means for storing location data
2 identifying the cellular telephone and their respective
3 location, and for providing means to said database to
4 subscribers at remote locations: The function of the
5 disclosed structure is to store data that identifies
6 each cellular telephone and its respective location, and
7 for providing access to said data to subscribers at
8 remote locations. The means of the proposed structure
9 is the combination of the database 20 and, A, the first
10 terminal 22 coupled via a modem and telephone line to
11 the database 20, Column 9, Lines 25 to 27, Figure 2 at
12 blocks 20, 22; or B, the second terminal 24 in radio
13 communication with the database, Column 9, Lines 27 to
14 29, Figure 2 at blocks 20, 24, or, C, the third hand-
15 held terminal 26, which is carried by a user who also
16 has a cellular telephone 10B, in radio communications
17 with the database, Column 9, Lines 29 to 31, Figure
18 2, at blocks 20, 26, or equivalents at any such
19 combination.

20 A patent owner has the right to stop others
21 from using the invention covered by its patent claims
22 during the life of the patent. If any person makes,
23 uses, sells within the United States, offers to sell
24 from within the United States, or imports what is
25 covered by the patent claims without the patent owner's

Civil Meeting Minutes for Broadcom Corp. v. Qualcomm, Inc.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007
Title Broadcom Corp. V. Qualcomm Inc.

Present: The Honorable James V. Selna

Karla J. Tunis

Not Present

Deputy Clerk

Court Reporter

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Not Present

Not Present

Proceedings: (In Chambers) Order Granting Defendant's Motion for Reconsideration
(Filed 9/7/07)

In the wake of In re Seagate Technology, LLC, 497 F.3d 1360 (Fed. Cir. 2007), the Court invited reconsideration of portions of its post-trial rulings. (Minute Order, Aug. 22, 2007.) In response, Qualcomm Incorporated ("Qualcomm") has filed a broad-based motion seeking the following relief:

- A new trial on all infringement claims and all wilfulness issues.
- Judgment as a matter of law on the issue of wilfulness.
- Vacation of the Court' Order of August 10, 2007 granting enhanced damages and attorney's fees.

Seagate constitutes a change—indeed, a substantial change—in the applicable law. (Local Rule 7-18(b).) Reconsideration is clearly warranted here, and this portion of Qualcomm's motion is granted.

I. The Effect of *Seagate*.

It would be an understatement to say that the Federal Circuit rewrote decades of case law interpreting the requirements for demonstrating wilful infringement in a patent case. Proof of wilfulness now requires clear and convincing evidence which meets a two-step test:

C 59

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007Title Broadcom Corp. V. Qualcomm Inc.

Accordingly, to establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent. The state of mind of the accused infringer is not relevant to this objective inquiry. If this threshold objective standard is satisfied, the patentee must also demonstrate that this objectively-defined risk (determined by the record developed in the infringement proceeding) was either known or so obvious that it should have been known to the accused infringer. We leave it to future cases to further develop the application of this standard.

Seagate, 497 F.3d at 1371 (citations deleted; emphasis supplied). At the same time, the Federal Circuit abandoned the notion that a would-be infringer has an affirmative duty of care to ensure that he does not infringe. (Id.) In this context, the court “reemphasize[d] that there is no affirmative obligation to obtain [sic] opinion of counsel.” (Id.)

The implications of Seagate for this case are far reaching, but some are less obvious than others.

II. The Obvious Implications of Seagate.

Certain aspects of the present motions require very little discussion. First, the standard for wilfulness embodied in Court’s Instruction No. 25 does not expressly or impliedly embody the Seagate standard. The instruction was drawn from a now-discredited line of authority. In light of Seagate, the Court’s instruction was error. Notwithstanding Broadcom’s vigorous advocacy (Broadcom Opposition, pp. 3-5), the concepts on which Instruction 25 is based do not square with Seagate.¹ Qualcomm is entitled to a new trial on the jury’s finding of wilfulness with respect to each of the three

¹For example, while a jury might find as a matter of fact that the absence of a reasonable belief of non-infringement or the invalidity on the patent in suit might on some records lead to a conclusion of disregard of an objectively high likelihood of infringement, that conclusion is hardly compelled. The two standards are not identical even if there might be some theoretical overlap.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007Title Broadcom Corp. V. Qualcomm Inc.patents in suit.²

Second, absent a finding of wilfulness, the Court's award of enhanced damages cannot stand. State Indus., Inc. v. Mor-Flo Indus. Inc., 948 F.2d 1573, 1576 (Fed. Cir. 1991).

Third, given that the jury's finding of wilfulness was the cornerstone for finding this case exceptional and awarding attorney's fees, Imonex Servs., Inc. v. W.H. Munzprufer Dietmar Trenner GmbH, 408 F.3d 1374, 1379 (Fed. Cir. 2005); Golight, Inc. v. Wal-Mart Stores, Inc., 355 F.3d 1327, 1339-40 (Fed. Cir. 2004), the award of attorney's fees under 35 U.S.C. § 285 cannot stand.

Thus, the Court grants a new trial on the wilfulness issues, and the Court vacates its order of August 10, 2007.

III. The Less Obvious Implications of Seagate.

The Court proceeds to the remaining issues which Qualcomm raises.

A. Error in Inducement Instructions.

Consistent with the notion that the presence or absence of an attorney opinion remained relevant within limited bounds following Knorr-Bremse Systeme Fuer Nutzhahrzeuge v. Dana, 383 F.3d 1337, 1344 (Fed. Cir. 2004), the Court told the jury in Court's Instruction No. 23 that in determining whether Qualcomm had the requisite intent to induce infringement it could "consider all of the circumstances, including whether or not Qualcomm obtained the advice of a competent lawyer." (Court's Instruction No. 23; emphasis supplied.) The Court referred the jury to Court's Instruction No. 25 which provided further guidance with regard to the failure to obtain an opinion. In relevant part, Court's Instruction No. 25 states:

²Given the structural error in the instruction, the Court need not decide now whether the Federal Circuit's elimination of any duty to obtain an opinion rules out consideration of a failure to obtain an opinion entirely. Seagate, 497 F.3d at 1471.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007Title Broadcom Corp. V. Qualcomm Inc.

In considering whether QUALCOMM acted in good faith, you should consider all of the circumstances, including whether or not QUALCOMM obtained and followed the advice of a competent lawyer with regard to infringement. The absence of a lawyer's opinion, by itself, is insufficient to support a finding of willfulness, and you may not assume that merely because a party did not obtain an opinion of counsel, the opinion would have been unfavorable. However, you may consider whether QUALCOMM sought a legal opinion as one factor in assessing whether, under the totality of the circumstances, any infringement by QUALCOMM was willful.

(Court's Instruction No. 25; emphasis supplied.) The instruction does not expressly advise the jury that there is any duty to obtain an opinion.

Broadcom argues that the failure to obtain an opinion is part of the circumstantial evidence which a jury may consider in determining whether there was knowing inducement. DSU Medical Corp. v. JMS Co., Ltd., 471 F.3d 1304, 1304 (Fed. Cir. 2006.) As Broadcom points out, there was direct evidence of opinions of counsel offered in DSU Medical, and the Federal Circuit found nothing improper about the evidence. (Id. at 1307.) However, offering an opinion was not proscribed before Seagate, and nothing in Seagate precludes offering such evidence. Moreover, that is not the same as evidence of a failure to obtain an opinion. DSU Medical's guidance with regard to the scope of permissible circumstantial evidence only takes the present analysis so far.

In ACCO Brands, Inc. v. ABA Locks Manufacturer Co., Ltd., 501 F.3d 1307 (Fed. Cir. 2007), which followed Seagate by less than a month, the Federal Circuit was asked to review a jury verdict of inducement as well as wilfulness. The court found that "ACCO failed to prove the threshold requirement of direct infringement." (Id. at 1312.) But in the record before it was evidence that the alleged infringer, Belkin, had failed to obtain a non-infringement opinion. (Id.) While not necessary to the result, one might have expected the Federal Circuit to have commented on the evidence if Seagate in fact precludes all evidence of the failure to obtain an opinion.

The Court's conclusion is that the absence of an opinion is one factor the jury may consider in reviewing the totality of circumstances in determining whether the alleged inducement was knowing. If this is correct, the question remains whether the

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007
Title Broadcom Corp. V. Qualcomm Inc.

particular instructions given here were prejudicial. The Court does not believe it was.

If the Court had had the benefit of Seagate, it would likely have instructed the jury on the inducement claim that there is no duty to obtain an opinion. However, the Court cannot say that taking Court's Instruction 23 and 25 together, the jury was likely to infer such a duty. Both instructions direct the jury to consider "all of the circumstances." Moreover, in the language from Court's Instruction No. 25 quoted above, the Court clearly told the jury that the absence of an opinion was just part of the mix in making its wilfulness determination, and by implication its knowing inducement determination. Taking Court's Instructions 23 and 25 as whole, the Court does not believe that the instructions "clearly misled the jury" on the significance of the absence of an opinion. DSU Medical, 471 F.3d at 1304 (internal quotation marks deleted); Seguin v. Eide, 720 F.2d 1046, 1048 (9th Cir. 1983) (instruction not prejudicial where jury permitted to consider all circumstances even though factors enumerated subsequently by the Supreme Court were not expressly included). If there was error, it was more likely than not harmless. Caballero v. City of Concord, 956 F.2d 204, 206 (9th Cir. 1992).³

The Court declines to grant a new trial on the induced infringement claim on the basis of instructional error.

B. Damages.

1. Direct Infringement.

At oral argument, Qualcomm argued that the jury's damage award was exclusively attributable to the induced infringement claims. The jury awarded damages under each patent in issue, and was not asked to parse the infringement theory or theories under which the award was made. From this, Qualcomm asserts that in view of the fact the it is entitled to a new trial on the induced infringement claim, the direct infringement verdict could not stand for a lack of damages.

³Qualcomm points to language in Court's Instruction No. 25 to the effect that Qualcomm had a "duty to respect [Broadcom's patent] rights." (Qualcomm's Memorandum in Reply, p. 7.) This says nothing about a duty to obtain an opinion, but rather expresses the core of a wilfulness claim.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007

Title Broadcom Corp. V. Qualcomm Inc.

There are two difficulties with this view. First, after additional briefing, the Court has concluded that the induced infringement verdicts need not be set aside for instructional error. Second, the Court does not believe that it is proper to presume the correctness of Qualcomm's allocation of the damages by theory where the jury made none. See Los Angeles Memorial Coliseum Comm'n v. National Football League, 791 F.2d 1356, 1366 (9th Cir. 1986).⁴

2. '686 Damages.

At oral argument, Qualcomm focused on the fact that the jury returned verdicts on the '686 claim for direct and induced infringement, but not contributory infringement. Qualcomm assumed that the jury predicated its contributory infringement verdict on a finding that there were substantial non-infringing uses for the infringing Qualcomm products. Qualcomm assert that this creates an inconsistency with the direct infringement verdict which cannot stand. Qualcomm conceded at oral argument that a failure to return an a verdict on a contributory infringement does not necessarily invalidate the direct infringement verdict: "[But] [i]t happens to be the case here. . . . I'm not arguing for all cases in all places," (Tompros Decl., Ex. A, pp. 19-20.)

While both Qualcomm and Broadcom offer competing versions of what the jury might have thought, no one knows. The jury's verdict in favor of Qualcomm on the '686 contributory infringement claim could have turned on the presence of substantial non-infringing uses, or a failure of proof on one of the *prima facie* elements, or the want of credibility of a witness, or a simple failure by Broadcom to meet its burden by a preponderance of the evidence. Speculation is not a basis for relief.

C. Judgment as a Matter of Law on Wilfulness Claims.

Both Broadcom and Qualcomm argue that under the Seagate standard, the evidence permits the Court to grant judgment as a matter of law in each party's favor on

⁴The recent Federal Circuit case of Verizon Services Corp. v. Vonage Holdings Corp., 503 F.3d 1295 at Section IV (Fed. Cir. 2007) (present Westlaw version not paginated), is not instructive. There the jury has returned a single damage award covering three patents. Here, the jury made separate awards under each patent in suit.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007
Title Broadcom Corp. V. Qualcomm Inc.

the wilfulness issue. (Broadcom Opposition, pp. 8-9; Qualcomm Motion, pp. 7-10.) The Court declines to grant such relief to either party.

Although Broadcom placed heavy emphasis on post-filing conduct, the record was not devoid of pre-filing conduct of the same nature, such as working with customers to bring infringing devices to the marketplace. While post-filing conduct may be of reduced benefit in the absence of a request for an injunction,⁵ it is not clear that such conduct is irrelevant, particularly if it supports a pre-existing pattern of wilful conduct (e.g., aiding customers in the development of infringing devices). The evidence taken as a whole is sufficient to resist a motion for judgment as a matter of law under Seagate.

But of greater concern to the Court is the fact that there is a particular unfairness in entertaining a motion for a judgment as a matter of law under a standard which was not in effect when the parties made their trial record. The point is underscored by Qualcomm's observation that the Court's denial of judgment as a matter of law on the wilfulness issues on post-trial motions was "based entirely on pre-Seagate law." (Qualcomm Memorandum, p. 15.) So was Broadcom's presentation. Broadcom might well have changed the emphasis of the evidence it presented or presented additional evidence that it did not in light of its perception of the force of post-filing conduct evidence.⁶

⁵The precise parameters of permissible post-filing evidence are unclear under Seagate, but it is plain the Federal Circuit did not expressly exempt this, or any other, holding from retroactive application. Harper v. Va. Dept. of Taxation, 509 U.S. 86, 96-97 (1993). Whether the Court should distinguish the situation where a litigant was aware of the rule in Seagate and failed to seek an injunction from the situation of the present plaintiff which could not have divined the rule prior to trial is a question for another day. (Id. at 94-95.)

⁶Although it is a question which the Court need not presently resolve, Broadcom believes that limited additional discovery would produce additional evidence of pre-filing activities to support wilfulness. Just as the applicable standard likely affected Broadcom's presentation, so to would it have affected Broadcom's focus in discovery. Indeed, the grant of some limited additional discovery may be responsive to Broadcom's claim that retroactive application of Seagate is unfair. (See Broadcom Opposition, p. 18.)

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007
Title Broadcom Corp. V. Qualcomm Inc.

D. New Trial on Infringement Liability.

Qualcomm advances two independent theories for the grant of a new trial on the jury's basic liability determinations.

First, Qualcomm relies on venerable but still fully valid Supreme Court authority for the proposition that where trial of an issue such as wilfulness is necessarily bound up with the basic liability determination, a new trial on all issues should be granted. (Qualcomm Memorandum, p. 19, citing, Gasoline Products Co. v. Champlin Refining Co., 283 U.S. 494, 500 (1931) ("the question of damages on the counterclaim is so interwoven with that of liability that the former cannot be submitted to the jury independently of the latter without confusion and uncertainty, which would amount to a denial of a fair trial").) Here, it is difficult to see how the jury could assess wilfulness without taking stock of the evidence, and the strength of the evidence, concerning liability. That is the very evidence from which "an objectively high likelihood [of] infringement" would flow. Seagate, 497 F.3d at 1371. Retrial of wilfulness necessitates a retrial of liability.

Second, Qualcomm asserts that the evidence of Qualcomm's failure to seek an opinion of counsel tainted the liability verdicts. For a number of reasons, the Court finds that it is "more probably than not [that the liability verdicts were] untainted by the error." Haddad v. Lockheed California Corp., 720 F.2d 1454, 1459 (9th Cir. 1983). First, and perhaps foremost, "patent infringement is a strict liability offense." Seagate, 497 F.3d at 1369. Second, the *sturm und drang* upon which Qualcomm focuses very clearly relates mostly to Broadcom's counsel's remarks wilfulness in the opening statement and closing argument. (Qualcomm Memorandum, pp. 24-25.) The Court simply cannot say that those remarks overtook, on an emotional or any other level, the jury's factual analysis of the basic infringement issues, which the Court found supported by the evidence in ruling on post-trial motions. (Minute Order, Aug. 10, 2007, pp. 6-7, 11, 15-16.)

IV. Conclusion.

The Court grants a new trial on the wilfulness issues. Because of the grant of a new trial on the wilfulness issues, and solely for that reason, the Court grants a new

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. SACV 05-467-JVS(RNBx) Date November 21, 2007
Title Broadcom Corp. V. Qualcomm Inc.

trial on all infringement issues.

The Court denies both parties' request for judgment as a matter of law on the wilfulness issues.

The Court vacates its order of August 10, 2007.

The combined effect of the Court's rulings results in a new trial only if Broadcom wishes to pursue its claims for wilfulness. In view of the fact that the Court has found that the liability verdicts were not infected by the instructional errors flowing from Seagate nor by receipt of evidence of a failure to obtain an opinion, those verdicts would stand in the absence of a parallel claims for wilfulness.

Broadcom is directed to file an election with the Court within ten days indicating whether it wishes to accept the liability and damage verdicts or proceed to a new trial on all issues, including wilfulness.

Initials of Preparer

kjt

C 67